

COUNCIL ON HOUSING
Public Session
Liberty Court Community Building
Dover, Delaware
February 9, 2011

Motions

- Approval of January 12, 2011 Minutes.

Action Items

- Mr. Heckles - provide the names of key Bond Bill Committee Legislators to the Housing Policy Committee relative to Council members' residences.

Important Dates

- March 9, 2011 – next Council meeting.
- April 15, 2011 – Tax Credit applications due.

Norma Zumsteg, Chair, called to order the public session of the Council on Housing at 1:00 p.m. on February 9, 2011. In addition to Ms. Zumsteg, the following Council members were present:

Anita Auten
Pat Batchelor
Russ Huxtable
Hugh Leahy
Connie Louder

Donna Mitchell
Ralph Peters
Ruth Sokolowski
Vincent White

The following Council member was absent and excused from the meeting:

John Walker

Also attending:

Anas Ben Addi, Director, Delaware State Housing Authority (DSHA)
Timothy S. McLaughlin, Deputy Director, DSHA
Lynda Blythe, Administrative Specialist III, DSHA
Matthew Heckles, Legislative and Policy Advisor, DSHA

Guests present:

George Danneman, The Danneman Firm
Tom McGonigle, Chief of Staff to Governor Markell
Gina Miserendino, Delaware Housing Coalition

APPROVAL OF MINUTES

Mr. White moved that the Minutes of January 12, 2011 be approved as written. Mr. Peters seconded the motion and the Minutes were unanimously approved.

DSHA REPORT

Mr. Ben Addi reported:

FY 12 Budget

- DSHA's FY 12 Budget was presented at the Joint Finance Committee (JFC) Hearing on February 2, 2011 by Mr. Ben Addi.
- There are two state funds which finance the requests:
 - General Fund (the main focus of JFC).
 - Provides the base budget for the Housing Development Fund from which DSHA requested \$4.07 million.
 - Capitol Fund (a bond bill program).
 - \$4 million for preservation of affordable housing was requested.
 - \$1.5 million for a new state rental assistance program.
- Council members attending the JFC were Ms. Sokolowski, Mr. Leahy, and Ms. Zumsteg (who presented Council's support of DSHA's requests).
- 8 Additional advocates also spoke in support of DSHA's budget.

Qualified Allocation Plan (QAP)

- The 2011 QAP was published on-line January 26, 2011; applications must be received by April 15, 2011.
- It is anticipated approximately 17 applications will be received this year; typically four to six applications are funded.
- An on-line interactive forum has been created for questions and comments to help insure the transparency of the process for all who are interested in submitting an application and to lessen the number of questions received.
- It is DSHA's intention to create the same type of on-line forum for all Requests for Proposals in the future.

Budget Upcoming Events

- TBD - Mr. Ben Addi has been invited to present an overview of DSHA and housing with some focus on budget items to the House Housing Committee.
- TBD – Bond Bill Hearing, usually in April, will focus on DSHA's Preservation and State Rental Assistance funding requests. Advocates will also be asked to attend on DSHA's behalf.

Neighborhood Stabilization Program (NSP)

- An NSP1 pilot program activity report is being compiled and will be emailed to Council the week of February 14th.
- Questions, suggestions and comments regarding the report may be emailed to Mr. McLaughlin.
- The three NSP plans, amounts received by DSHA and purpose are:
 - NSP1 – \$19.6 million to rehab homes.
 - NSP2 – \$10 million to rehab homes.
 - NSP3 – \$5 million for down payment closing costs assistance in the purchase of a foreclosed home.
 - A draft of DSHA's plan will be posted on our website.
 - The final plan will be submitted to HUD at the end of a 30-day comment period.
 - DSHA will manage the plan which will be structured for down payment closing costs assistance, along with the bond program, in the purchase of a foreclosed home.
 - Activity is currently restricted to the DSHA bond 203(k) program.
 - Federal Housing Administration (FHA) guidelines must be followed and the buyer approved by the FHA.
 - The lender will guide the homebuyer through the FHA process.
 - These will be forgivable loans.

TOM McGONIGLE PRESENTATION

Ms. Zumsteg welcomed and introduced Tom McGonigle who spoke on the Governor's view on the importance of housing, fiscal issues the state is facing, and specific observations of the Council and DSHA.

Governor's View on the Importance of Housing

- Affordable housing is critical throughout the state.
- The beneficial impact, including job creation, of renovations to communities.
- Capital investment and leveraging opportunity is significant in creating new jobs.
- Funding levels for the HDF have remained steady and/or increased during the current economic times.

Fiscal Issues

- Delaware is a very fiscally responsible state being only one of 8 states with a AAA bond rating.
- State spending must be reduced to sustain current funding levels and realize long-term savings.
- Rising costs particularly for the State Pension Fund, Employee Health Fund, and Medicaid (see charts attached).
- Jobs creation – attracting businesses to Delaware.
- A new infrastructure investment fund will be introduced to attract new businesses.

Council on Housing and DSHA

- Council was encouraged to ascertain, to the extent possible, the number of jobs for Delawareans created if a project is funded.
- The more jobs created the better the argument for continued funding.
- Continued communication by Council and DSHA with legislators is highly important.
- DSHA was commended for its job in reviewing applications which keeps the state's credibility high.

COMMITTEE REPORTS

LOAN REVIEW

In Mr. Walker's absence, Mr. Leahy stated there was no report for the committee.

OPERATIONS

There was no report per Ms. Louder.

HOUSING POLICY

Ms. Sokolowski reported the committee discussed housing needs and ways to increase DSHA's effectiveness in Sussex County by meeting with the Community Development and Housing Director for Sussex County, a lender, property managers and Sussex County Council members. The resulting recommendations are:

- Offer an affordable loan/grant package to homeowners for the upkeep of their homes.
- This will stretch funding to serve more households.
- Encourage rental inspection process, with enforcement guidelines, in Kent and Sussex Counties to either correct or remove substandard rental housing.
- Consider creating a DSHA office in Sussex County.

Comments and/or suggestions from the Council were solicited regarding the committee's ideas for the coming year:

- Review of the QAP and HDF applications to determine whether their rating systems and methods of point allocations accomplish Council's goals and provide revision recommendations to DSHA.
- Longer term affordability – how funds could be made to last longer rather than recycling around.
- Work with staff on the new rental assistance program.
- Council would like DSHA to provide a performance report of the effectiveness of allocated funds.
- Council involvement in DSHA's upcoming strategic planning process.

- Presentations to Council -
 - DSHA departments – frequency should be every two years or when warranted.
 - Outside presenters -
 - State Planning Office regarding how the development work of DSHA relates to the state's land regulation process.
 - Van Temple regarding long-term and/or permanent housing affordability strategies.
 - Results of a forthcoming study regarding housing barriers for persons with disabilities.
 - Representatives from non-profit housing providers to better understand what they do.

Mr. White suggested holding workshops for more in-depth discussion of items rather than brief presentations at Council meetings. Ms. Zumsteg responded workshops will be included in the upcoming strategic planning meetings.

COMMUNICATIONS

Mr. Leahy introduced the Joint Finance Committee (JFC) Testimony given by Ms. Zumsteg on February 2, 2011 (copy attached). Mr. Leahy also thanked the committee, Mr. Peters, Mr. White, and Ms. Mitchell, along with Mr. Heckles for their efforts in preparing the testimony, and Ms. Zumsteg for her presentation and commended supporters who spoke on behalf of DSHA's budget request.

Mr. Leahy asked Ms. Sokolowski to submit, by early May, recommendations for changes to law and policy for the committee to use as input for the preparation of the next annual report.

Inasmuch as Ms. Zumsteg's time was severely limited at the JFC meeting, Mr. Leahy stated the committee will be investigating how Council could more frequently contact legislators, less formally than the annual report, regarding the need for more affordable housing. In this regard, Ms. Sokolowski stated Mr. Heckles had been asked to map out and provide the names of key legislators, in relation to where Council members live, who would be involved in funding the new rental housing subsidy program. The intent would be to further the constituent advocacy program by Council members, as constituents, contacting their representatives on behalf of the agency using a consistent message supplied by the Communications Committee.

OLD/NEW BUSINESS

Ms. Miserendino announced the Delaware Housing Coalition's annual Day for Housing will be held Tuesday, May 10, 2011. The main topic will be regarding disabilities and poverty housing.

SCHEDULING OF NEXT MEETING

The next meeting will be held on March 9, 2011, at 2:00 p.m. in the Community Building at Huling Cove, 1140 Savannah Road, Lewes, DE.

ADJOURNMENT

Upon motion made by Mr. Peters, seconded by Mr. Huxtable, and unanimously passed by the Council, the meeting was adjourned at 2:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Lynda T. Blythe". The signature is written in dark ink and is positioned above the printed name.

Lynda T. Blythe

Note: Copies of materials referenced as "attached" in these Minutes are available upon request.